

WASHINGTON PUBLIC DEPOSIT PROTECTION COMMISSION
MEETING MINUTES
Olympia, Washington
June 1, 2018

The Washington Public Deposit Protection Commission met in special session after notice was duly given to the public.

Present: Duane A. Davidson, State Treasurer, Chair
Jay Inslee, Governor, Member
Absent: Cyrus Habib, Lt. Governor, Member

Also Present: Jason Richter, Office of the State Treasurer
Catherine Mele-Hetter, Office of the State Treasurer
Amy Perry, Office of the State Treasurer
Libby Hollingshead, Office of the Lt. Governor
Brenda Snyder, Office of the State Treasurer
Scott Merriman, Office of Financial Management
Shad Pruitt, Office of the State Treasurer
Anthony Hemstad, Office of the State Treasurer
Isaac Kastama, NWCUA Lobbyist

Chair Duane A. Davidson called the PDPC meeting to order at 1:18 p.m. on June 1, 2018.

Commission Attendance

Chair Davidson stated for the record Governor Inslee and himself were in attendance and Lt. Governor was absent, but it is a quorum.

Approval of Minutes

April 11, 2018 Public Deposit Protection Commission Meeting

Chair Davidson, introduced the meeting minutes from the last meeting and mentioned they were sent out prior to this meeting. There were no corrections. The minutes from were accepted as distributed. Meeting minutes signed by State Treasurer Duane A. Davidson and Governor Jay Inslee.

Resolution 2018-1 – Proposed by PDPC Chair

Chair Davidson introduced the next item on the agenda and had Amy Perry, PDPC Administrator, present the following background information to the Commission on proposed Resolution 2018-1:

- **RESOLUTION 2018-1** is presented for consideration by the commission to expand existing collateral requirements to credit unions so that all public depositaries have the same collateralization standards
- During the 2018 session, the Legislature passed SHB 1209 [Chapter 237, Laws of 2018] which permits credit unions to accept public deposits greater than the maximum insured amount from a county with a population of 300,000 persons or less, or from public funds depositors located in a county with a population of 300,000 persons or less. Credit unions that receive public deposits must meet all of the minimum requirements of the Public Deposit Protection Commission and must pledge collateral to protect uninsured public funds on deposit.
- The new Resolution for 2018-1 updates existing Resolution 2016-1 to include credit unions as well as banks. Existing Resolution 2016-1 applied only to public depositary banks. The new resolution provides that credit unions will be required to collateralize uninsured public deposits under the same PDPC requirements as banks. Currently, banks are collateralizing uninsured public deposits pursuant to Resolutions 2009-1 and 2016-1.
- Resolution 2018-1 sets the minimum collateral requirements allowing for Well Capitalized credit unions and banks to collateralize uninsured public deposits at no less than fifty percent, and that public depositary credit unions and banks who are not categorized as “Well Capitalized” are required to collateralize at 100 percent on uninsured public deposits. By statute, public depositaries with 100 percent collateral have maximum liability limited to 10 percent of their uninsured public deposits. Also, Well Capitalized Public Depositaries choosing under 100% collateralization have their maximum liability increased to 25 percent of their uninsured public deposits.

A copy of proposed resolution 2018-1 and superseded resolution 2016-1 are provided in your briefing book. Amy Perry, PDPC Administrator finished by informing the Commission that this completes a summary of Resolution 2018-1 and thanked Chair Davidson.

Governor Jay Inslee made note PDPC has worked in consultation with DFI on the standards set forth in the resolution.

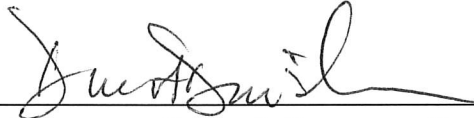
Governor Inslee moved the adoption of Resolution 2018-1, Chair Davidson seconded the motion.

Chair Davidson asked if there's any other discussion. With no further discussion, Chair Davidson said the question before us is the adoption of Resolution 2018-1. Resolution 2018-1 was adopted by Chair Davidson and Governor Inslee.

After completion of the published agenda items, Chair Davidson asked if there was any other business in front of the Commission; no additional business was addressed.

Chair State Treasurer Duane A. Davidson adjourned the meeting of the Public Deposit Protection Commission at 1:22 P.M.

STATE OF WASHINGTON
PUBLIC DEPOSIT PROTECTION COMMISSION



STATE TREASURER DUANE A. DAVIDSON, CHAIRMAN

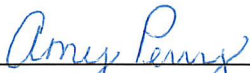


GOVERNOR JAY INSLEE, MEMBER



LIEUTENANT GOVERNOR CYRUS HABIB, MEMBER

ATTEST:



AMY PERRY, ADMINISTRATOR
PUBLIC DEPOSIT PROTECTION COMMISSION